

# Wilh. Wilhelmsen Holding ASA

Fourth Quarter 2013

Thomas Wilhelmsen – group CEO and Nils P Dyvik – group CFO



August 2011

13<sup>th</sup> February 2014



# Disclaimer

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# Agenda

1. Highlights for the quarter
2. The year 2013
3. Prospects
4. Financials – Nils P. Dyvik, group CFO

# WWH group

Fourth quarter



**Mixed market – stable overall**

**Total income slightly up q-o-q**

**EBIT impacted by WWL/JFTC accrual**

**Favorable net financials and tax**

**EPS slightly up**



# WW ASA group

## Highlights for the quarter

### Increased shipping income / EBIT

- Rebound in auto volumes from Q3
- Reduced ARC (high and heavy) volumes
- Less favourable cargo mix
- Two options declared by WWASA



### Stable logistics income / EBIT

- ASL/POV protest denied (February 2014)

### Antitrust investigation

- WWL received draft cease and desist order / draft surcharge order from JFTC (January 2014)



# WMS group

## Highlights for the quarter



### Increased income

- Strong growth in technical solution
- Slight increase in ship management
- Stable ships service

### Operating profit maintained

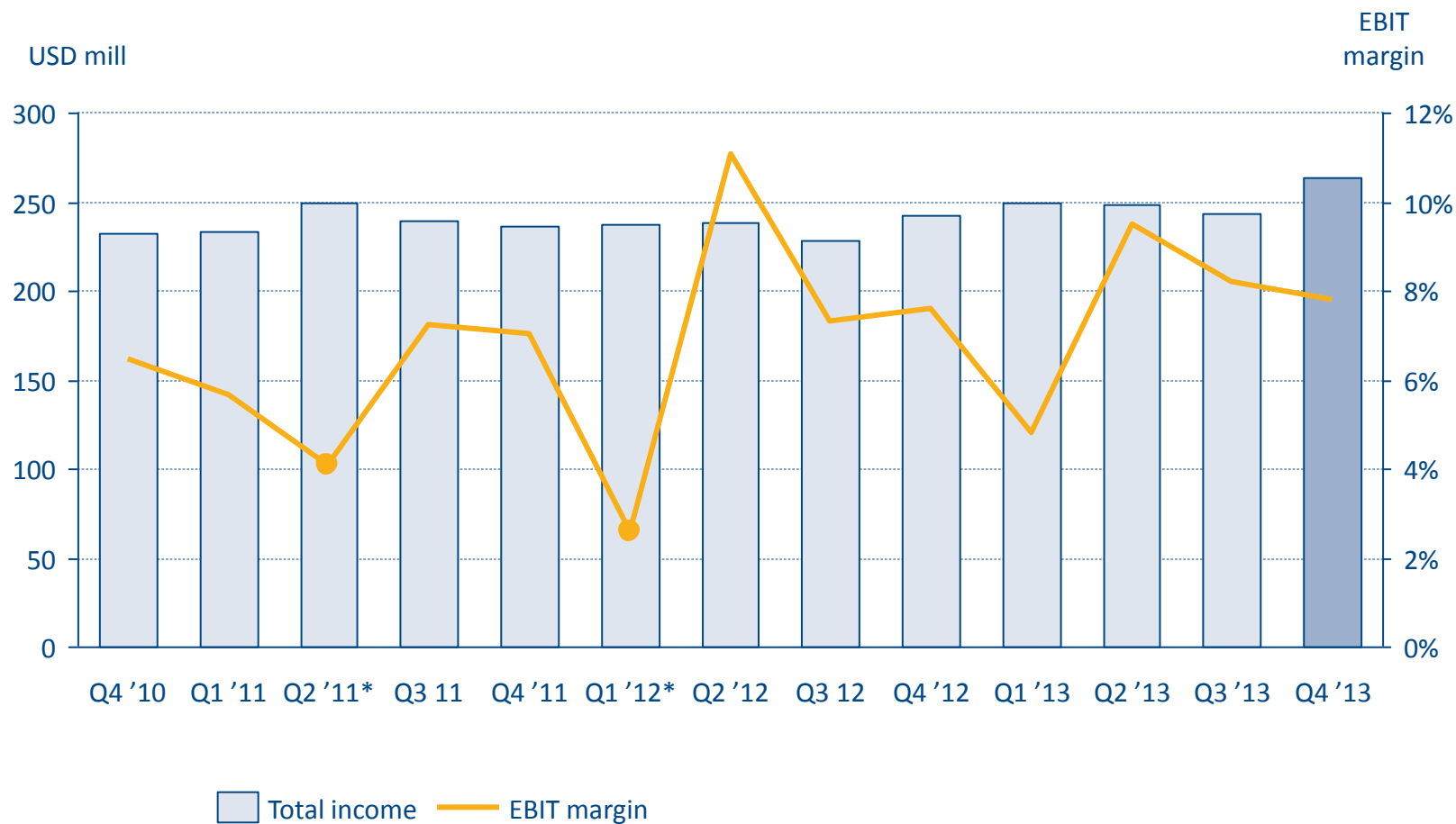
### Improved market sentiment

- Clarksea index continued up in Q4
- Increased newbuild ordering activity



# WMS group

## Total income and EBIT margin



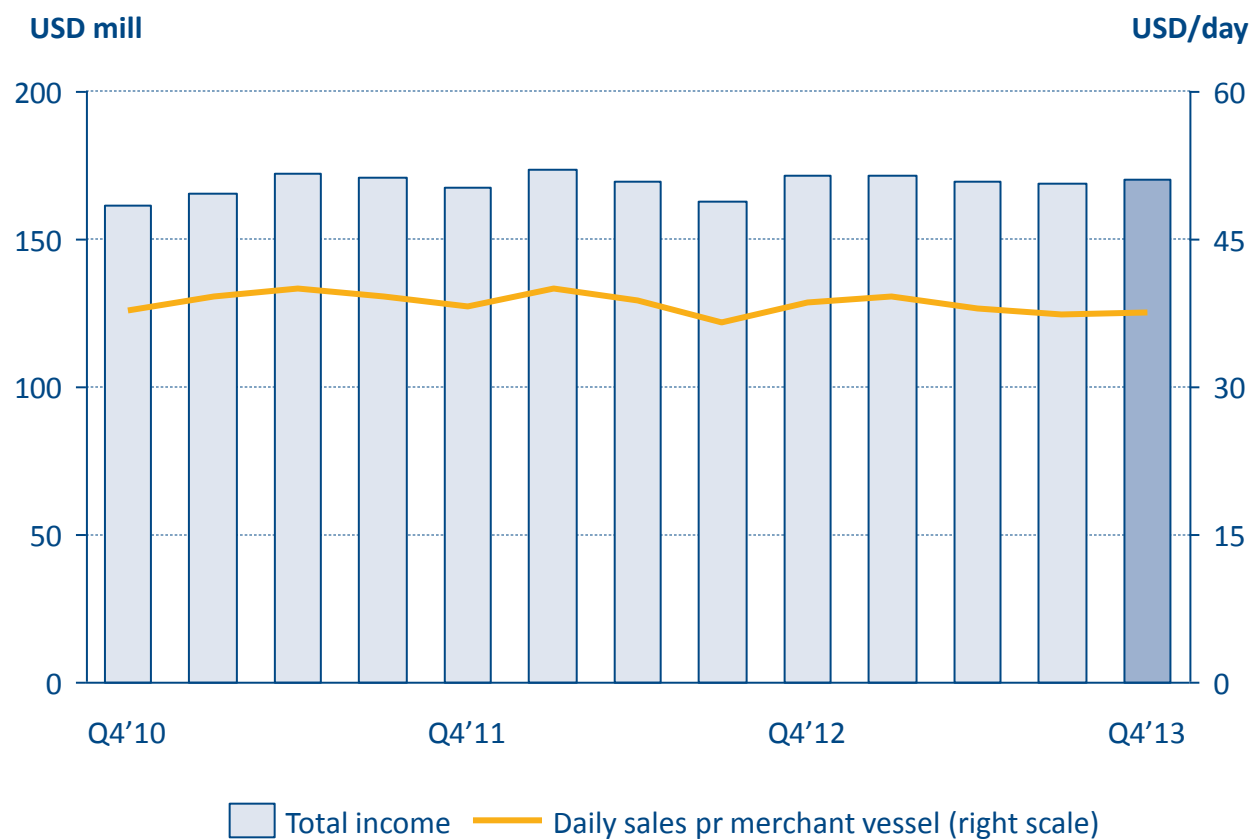
\*Main "one-offs":

- Q2'11: Profit improvement plan
- Q1'12: Recall of UBWTS



# WMS group – Ships service

Total income and daily income per vessel \*



## Products and services:

- Marine products  
Welding equipment, gases & cylinders, refrigerants
- Marine chemicals
- Safety products
- Ships agency
- Maritime logistics

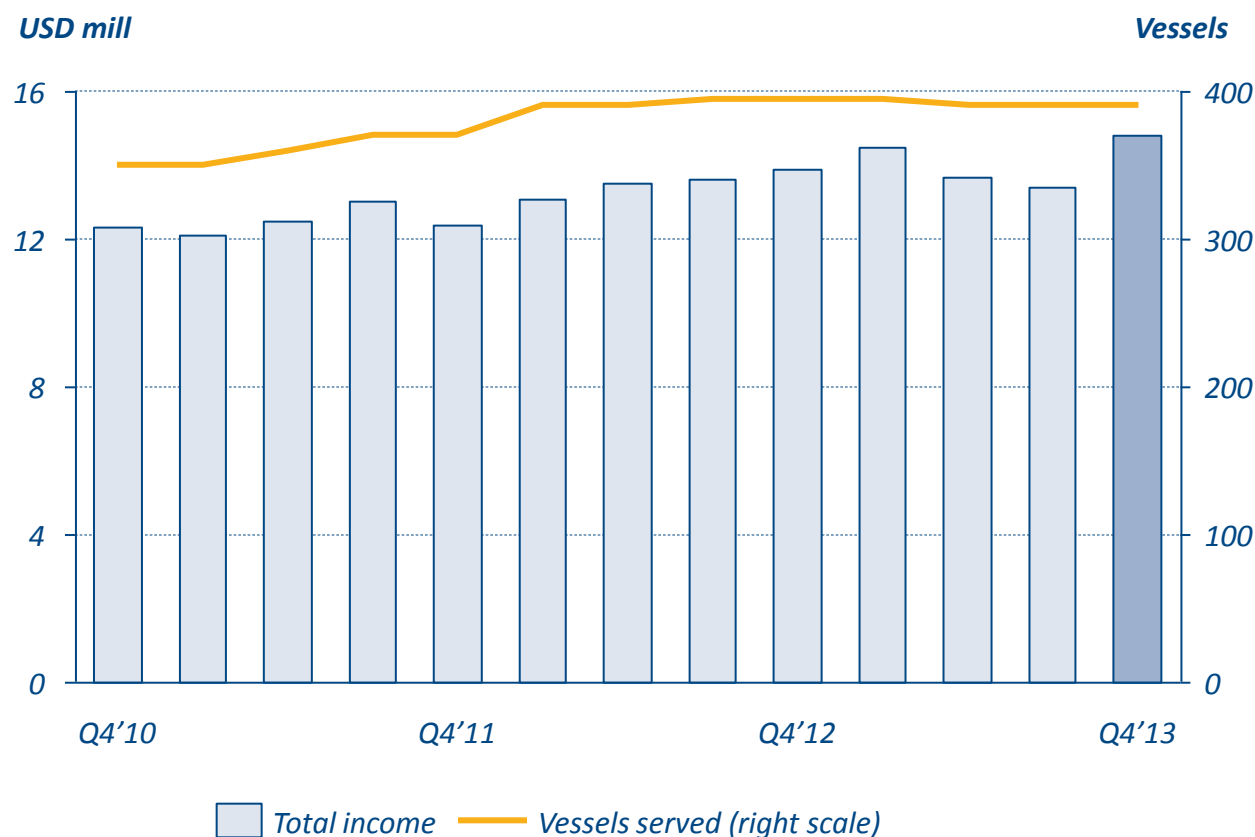
## Global fleet penetration:

- 49,8% in Q4'13 (49,9% Q3'13) \*



# WMS group – Ship management

Total income and vessels served



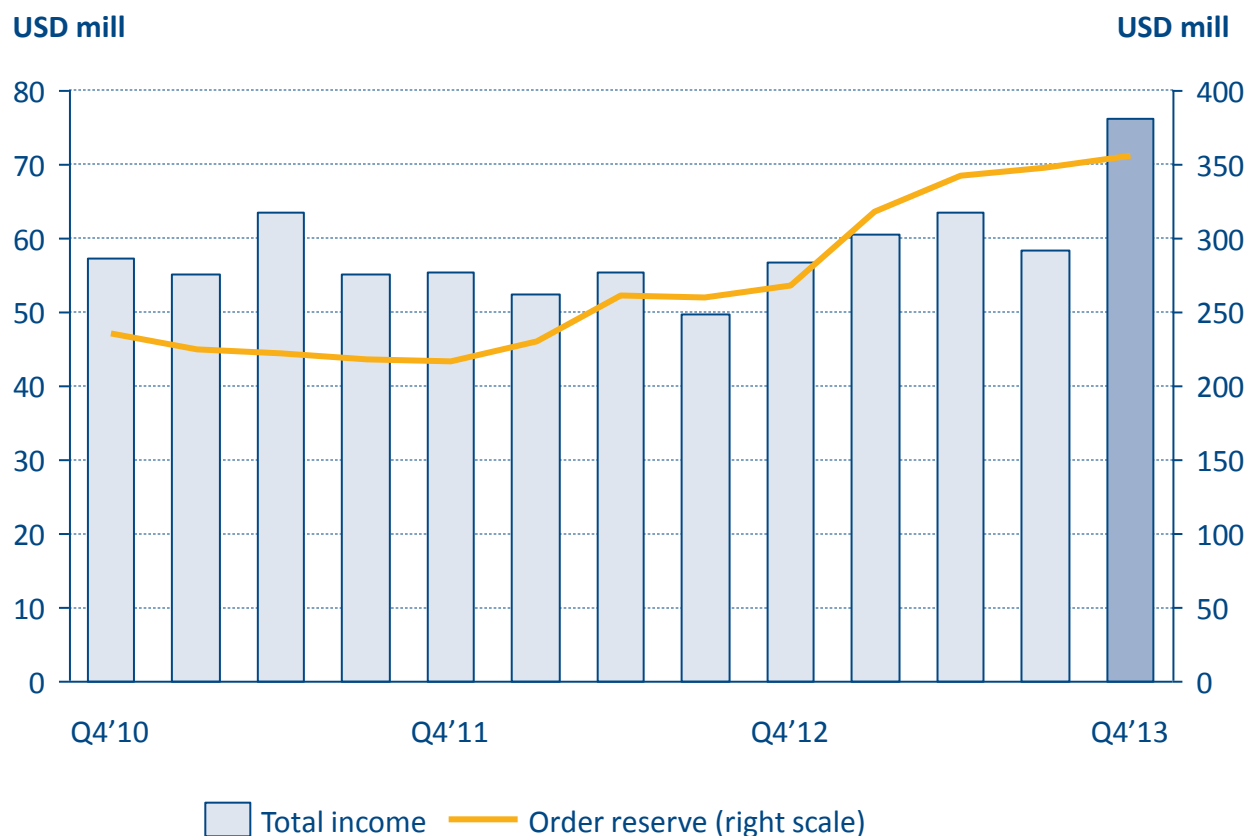
## Products and services:

- Technical management
- Crewing
- Green recycling
- Specialist services related to technical management



# WMS group – Technical solutions

Total income and order reserve



## Products and services:

- Safety systems
- Power distribution/control
- HVAC - R
- Insulation

# Holding and Investments

## Highlights for the quarter

### Continued growth in NorSea Group

- Income up y-o-y and q-o-q
- Increase in third party supply chain management and vessel chartering
- Net result slightly below the third quarter



NorSea Group "Company of the Year" in Stavanger region  
Photo: Michael Kakakios

### Stable development in Qube

- Share price up – AUD negative
- Half year dividend

### Investment portfolio

- Further gains on Nordic equities



STOXX Nordic 30 (1.1 - 31.12.2013)

# The year 2013

## The group:

- Results down from strong 2012
- Paid dividend of NOK 5.50 per share
- Multiple performance improvement programs

## Wilh. Wilhelmsen ASA:

- Reduced high and heavy volumes
- Delivery of 5 new build vessels; 8 new orders
- Ongoing antitrust investigation in JVs



## Wilhelmsen Maritime Services:

- Income lifted by increased newbuild activities
- Service to operating fleet stable
- EBIT margin 7.6%

## Holding and investments:

- Positive development for NorSea Group
- Solid contribution Qube/financial investments





# WWH group prospects

**The board expects the activity level in the next period to be broadly in line with the fourth quarter**

# Wilh. Wilhelmsen Holding ASA

Fourth quarter 2013 – Financials

Nils Petter Dyvik – group CFO



August 2011

13<sup>th</sup> February 2014

# WWH group

## Key financial figures

### Total income (q-o-q)

- 2% increase in total income
- WW ASA stable; WMS up

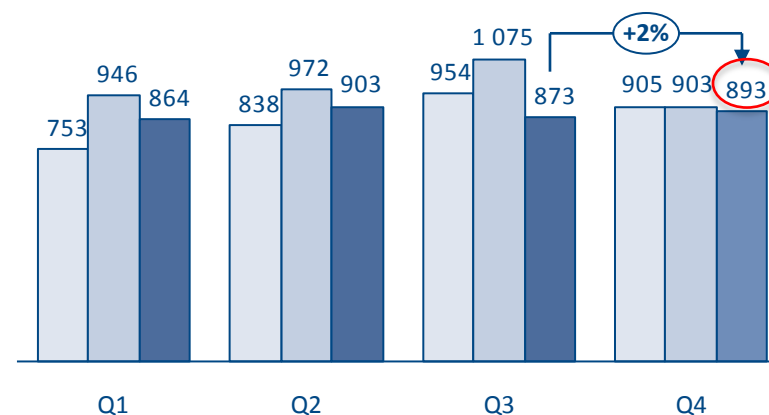
### EBIT (q-o-q)

- 14% decrease in reported EBIT
- 3% increase adjusted for JFTC accrual

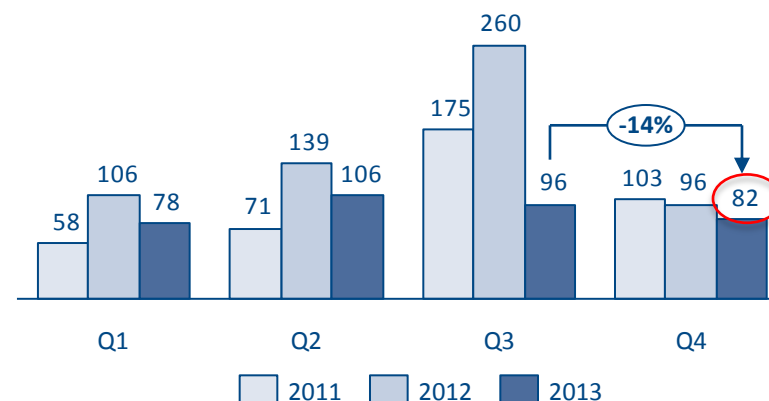
### EPS (q-o-q)

- Up 1% to USD 1.38

### Total income (USD mill)



### EBIT (USD mill)





# WWASA group

## Key financial figures

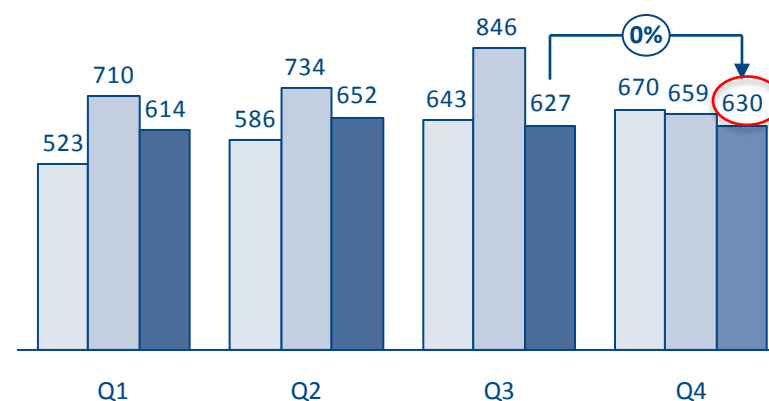
### Total income (q-o-q)

- Flat development overall
- Increased auto volumes
- Decreased H&H on group level
- Logistics stable

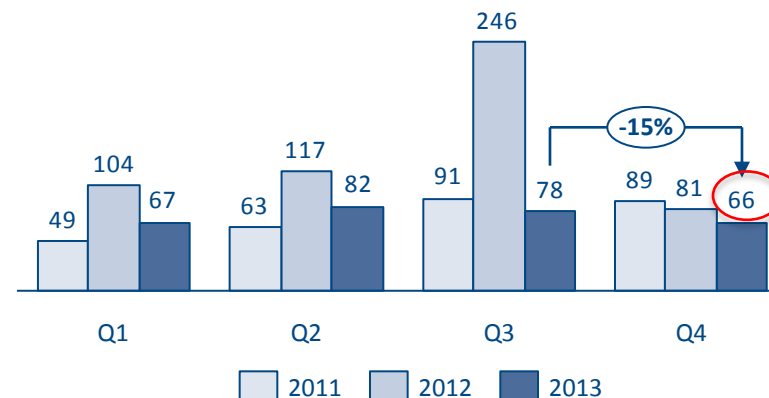
### EBIT (q-o-q)

- 15 % reduction in reported EBIT
- 6% increase in adjusted EBIT
  - USD 16.5 mill. share of WWL/JFTC accrual

### Total income (USD mill)



### EBIT (USD mill)



# WMS group

## Key financial figures

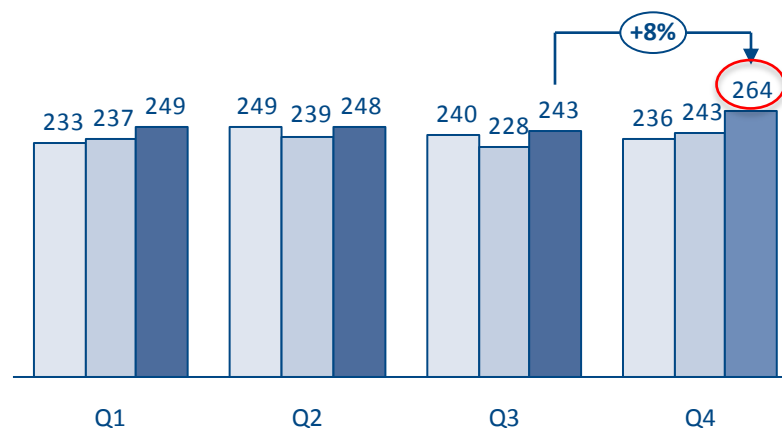
### Total income (q-o-q)

- Total income up 8%
- WSS stable
- WSM up 10%
- WTS up 31%

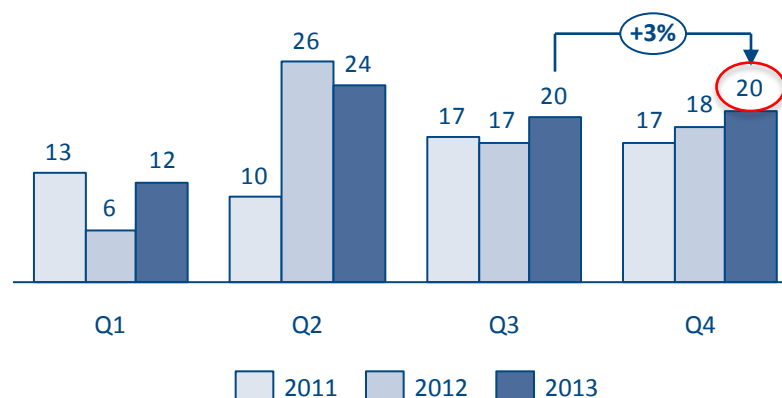
### EBIT (q-o-q)

- Stable development
- WSS slightly down
- WSM slightly up
- WTS up due to increased activity

### Total income (USD mill)



### EBIT (USD mill)



# Holding and Investments

## Key financial figures

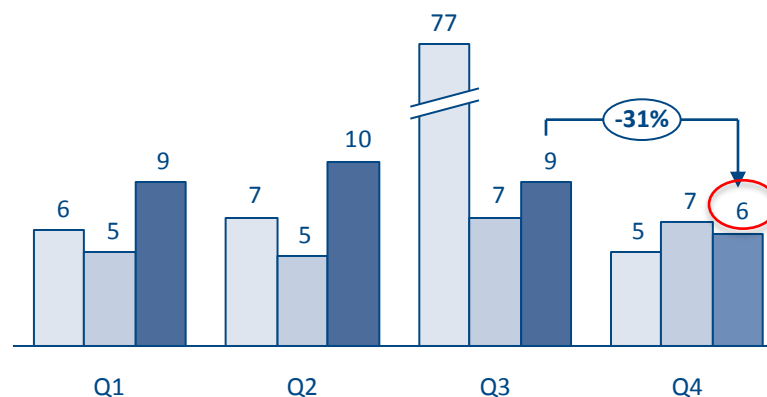
### Total income (q-o-q)

- 31% decrease in total income
- Year end adjustments in holding
- Lower NorSea Group contribution (seasonality)

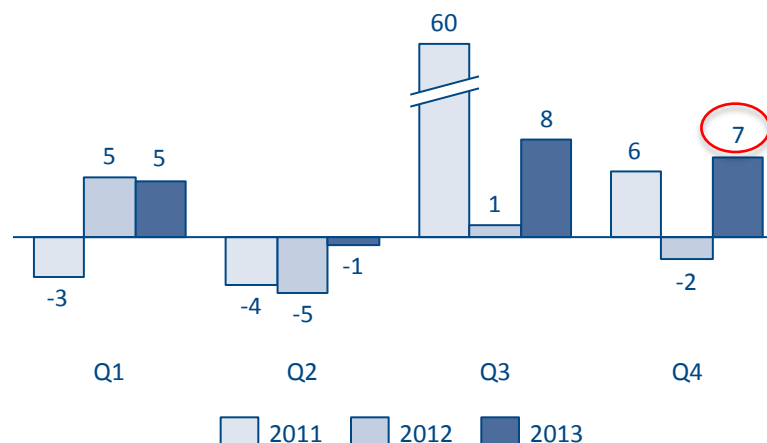
### Net profit (q-o-q)

- Good contribution from financial investments
- Qube dividend
- Positive tax adjustment

### Total income (USD mill)



### Net profit after minority (USD mill)



# The year 2013

## Key financial figures – WWH group

### Total income

- 9% decrease in total income
- Reduced income WW ASA shipping
- Positive development WMS (WTS)
- Positive first full year NorSea Group

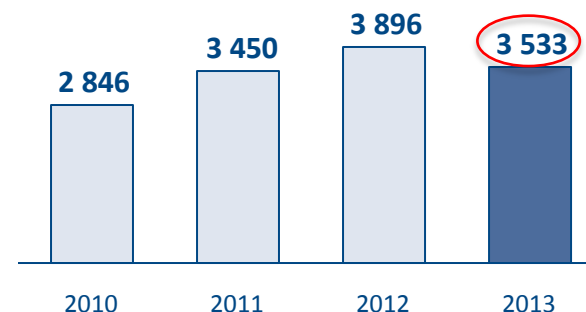
### EBIT

- 30% decrease in EBIT
- Adjusted EBIT down 19%
- WW ASA shipping down – Logistics up
- Positive development WMS

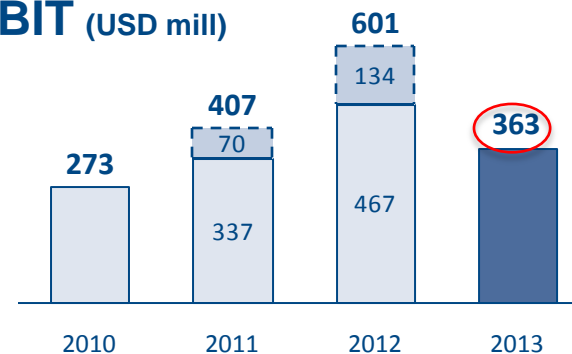
### EPS

- Positive Qube/financial investments
- EPS down 21% to USD 5.60

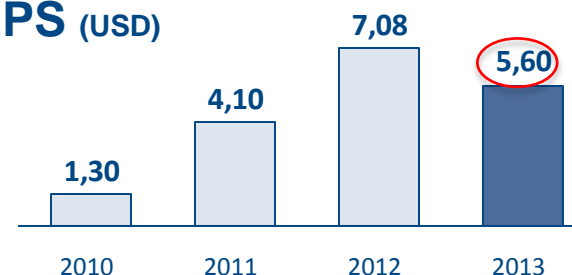
### Total income (USD mill)



### EBIT (USD mill)



### EPS (USD)



# WWH group

## Financial income/(expenses)

USD mill	Q4'13	Q3'13	Q4'12	YTD'13	YTD'12
Net financial items	14,8	18,6	10,8	43,4	29,4
<i>Investment management</i>	10,5	13,5	4,8	29,5	18,7
<i>Interest income</i>	2,3	2,5	3,7	9,6	8,1
<i>Other financial items</i>	2,0	2,6	2,3	4,3	2,6
Interest expenses	-19,6	-19,8	-21,4	-79,7	-87,6
Interest rate derivatives - realised	-13,8	-8,9	-20,4	-38,8	-51,9
Interest rate derivatives - unrealised	18,7	2,3	19,5	71,2	9,3
Net financial - currency	1,3	1,0	-3,0	18,1	-2,4
Net financial derivatives bunkers	-2,5	-0,6	-1,1	-3,2	-1,8
<b>Financial income/(expense)</b>	<b>-1,1</b>	<b>-7,4</b>	<b>-15,6</b>	<b>11,0</b>	<b>-105,2</b>

1. Strong contribution from investment management (WWH and WWASA)
2. Positive contribution from Qube (excl. USD 23 mill. gain under comprehensive income)
3. Net gain interest rate derivatives (higher long term interest rates)
4. Net gain financial currency

# WWH group

## Balance sheet (Equity method)

USD mill	31.12.2013		30.09.2013		31.12.2012	
<b>Assets</b>						
Non current assets	3 728	75 %	3 713	74 %	3 700	74 %
Current assets (excl liquid funds)	484	10 %	584	12 %	491	10 %
Liquid funds	734	15 %	744	15 %	790	16 %
<b>Total assets</b>	<b>4 946</b>	<b>100 %</b>	<b>5 042</b>	<b>100 %</b>	<b>4 982</b>	<b>100 %</b>
<b>Equity &amp; liabilities</b>						
Equity	2 286	46 %	2 249	45 %	2 079	42 %
Interest-bearing debt	1 852	37 %	1 887	37 %	2 008	40 %
Other non current liabilities	355	7 %	370	7 %	423	9 %
Other current liabilities	454	9 %	536	11 %	471	9 %
<b>Total equity and liabilities</b>	<b>4 946</b>	<b>100 %</b>	<b>5 042</b>	<b>100 %</b>	<b>4 982</b>	<b>100 %</b>
<b>Capital employed</b>	<b>4 137</b>		<b>4 136</b>		<b>4 087</b>	

46% book equity ratio – up 4% y-o-y

Reduced interest bearing debt

# WWH group

## Cash flow (Equity method)

USD mill	Q4'13	Q3'13	Q4'12	YTD'13	YTD'12
Share of profit from operations	78	43	55	195	248
Dividend received from joint ventures and associates	14	3	8	50	62
<b>Net cash provided by operating activities</b>	<b>92</b>	<b>46</b>	<b>63</b>	<b>245</b>	<b>310</b>
Investments in fixed assets	(34)	(9)	(14)	(92)	(270)
Proceeds from sale of financial investments	38	35	12	127	73
Investments in financial investments	(30)	(15)	(8)	(216)	(59)
Other	2	12	11	25	120
<b>Net cash flow from investing activities</b>	<b>(24)</b>	<b>23</b>	<b>2</b>	<b>(156)</b>	<b>137</b>
Net repayment of debt	(23)	(35)	(93)	(77)	66
Dividend to shareholders/purchase of own shares	(24)	-	(48)	(97)	(85)
Other	(38)	(19)	(48)	(106)	(109)
<b>Net cash flow from financing activities</b>	<b>(84)</b>	<b>(55)</b>	<b>(189)</b>	<b>(280)</b>	<b>(126)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(16)</b>	<b>14</b>	<b>(124)</b>	<b>(191)</b>	<b>47</b>

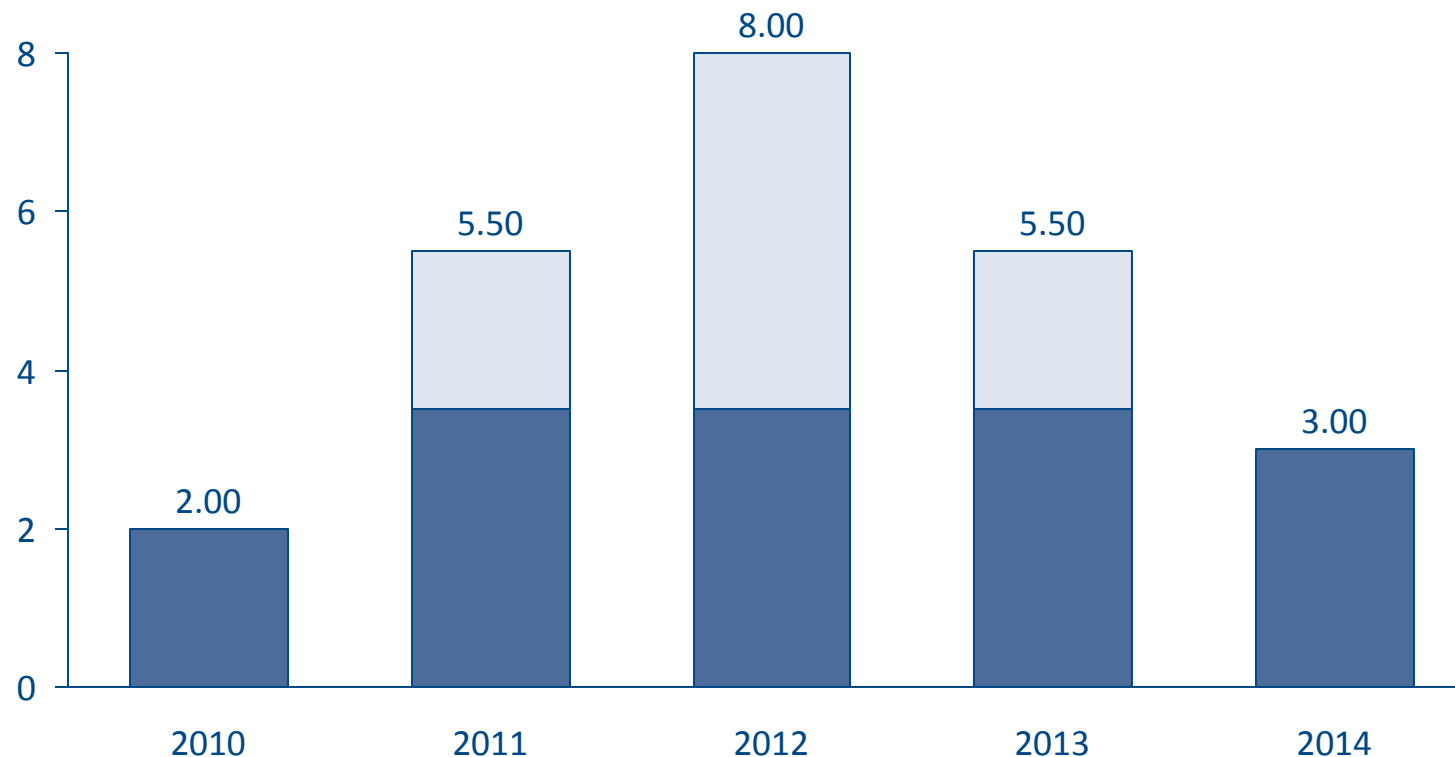
- Operating cash flow of USD 245 mill (including USD 50 mill. from J/V and associates)
  - Not including USD 150 mill share of profit in J/V and associates retained
- Reduced investment y-o-y
- Net USD 89 mill. increase in financial investments



# WWH ASA

## Dividend per share

NOK/share



- Proposed dividend of 3.00 NOK per share to be paid May 2014
- Proposed Board authority to approve further dividend of up to maximum NOK 2.50 per share (following changes to Norwegian Companies Act)



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